

MT LEGISLATIVE HISTORY

Chapter 452 19 87

Bill (H) 296 S _____

Original bill & hist. ✓ C

H. Committee on Business & Labor

S. Committee on Business & Industry → State
Admin.

Hearing Date(s) FEB 19 ✓ C

Hearing Date(s) MAR 19 ✓ C

_____ C

MAR 20 ✓ C

_____ C

_____ C

_____ C

_____ C

Date Out FEB 19 ✓ C

_____ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

HOUSE BILL NO. 796

INTRODUCED BY DRISCOLL

BY REQUEST OF THE HOUSE COMMITTEE ON BUSINESS AND LABOR

IN THE HOUSE

FEBRUARY 17, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & LABOR.
FEBRUARY 19, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 20, 1987	PRINTING REPORT.
FEBRUARY 21, 1987	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 24, 1987	ENGROSSING REPORT.
FEBRUARY 25, 1987	THIRD READING, PASSED. AYES, 69; NOES, 25.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 2, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
MARCH 6, 1987	ON MOTION, REREFERRED TO COMMITTEE ON STATE ADMINISTRATION.
MARCH 23, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 25, 1987	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 27, 1987	THIRD READING, CONCURRED IN. AYES, 40; NOES, 10.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 8, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT
CONCURRED IN.

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 9, 1987

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 13, 1987

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 13, 1987

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 16, 1987

FREE CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 16, 1987

FREE CONFERENCE
COMMITTEE REPORT REJECTED.

IN THE HOUSE

APRIL 20, 1987

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT REJECTED.

ON MOTION, FREE CONFERENCE COMMITTEE
NO. 2 REQUESTED AND APPOINTED.

APRIL 21, 1987

FREE CONFERENCE COMMITTEE NO. 2 REPORTED.

SECOND READING, FREE CONFERENCE
COMMITTEE NO. 2 REPORT ADOPTED.

IN THE SENATE

APRIL 21, 1987

SECOND READING, FREE CONFERENCE
COMMITTEE NO. 2 REQUESTED AND APPOINTED.

APRIL 22, 1987

FREE CONFERENCE COMMITTEE NO. 2
REPORT ADOPTED.

IN THE HOUSE

APRIL 22, 1987

THIRD READING, FREE CONFERENCE
COMMITTEE NO. 2 REPORT ADOPTED.

SENT TO ENROLLING.

1 of designated numbers or symbols on a card which conform to
2 numbers or symbols selected at random;

3 (b) "raffles", which are conducted by drawing for
4 prizes.

5 {2}(3) "Equipment" means:

6 (a) with respect to bingo, the receptacle and numbered
7 objects drawn from it, the master board upon which such
8 objects are placed as drawn, the cards or sheets bearing
9 numbers or other designations to be covered and the objects
10 used to cover them, the boards or signs, however operated,
11 used to announce or display the numbers or designations as
12 they are drawn, public address system, and all other
13 articles essential to the operation, conduct, and playing of
14 bingo; or

15 (b) with respect to raffles, the implements, devices,
16 and machines designed, intended, or used for the conduct of
17 raffles and the identification of the winning number or unit
18 and the ticket or other evidence of right to participate in
19 raffles."

20 Section 2. Section 23-5-414, MCA, is amended to read:
21 "23-5-414. Restrictions on bingo and raffles -- bingo
22 machines in establishment limit -- hours of operation. (1)
23 In the playing of bingo, no person who is not physically
24 present on the premises where the game is actually conducted
25 shall be allowed to participate as a player in the game.

(2) Raffles authorized by this part shall be restricted to events and participants within the geographic confines of the state of Montana.

(3) No establishment may receive licenses for, under 23-5-421, or make available for play more than five bingo machines.

(4) An establishment that receives a license to make a bingo machine available for play must be closed each day during the hours provided in 16-3-304 for closure of licensed retail alcoholic beverage establishments."

NEW SECTION. Section 3. Extension of authority. Any existing authority of the department of revenue to make rules on the subject of the provisions of this act is extended to the provisions of this act.

NEW SECTION. Section 4. Effective date. This act is effective on passage and approval.

-End-

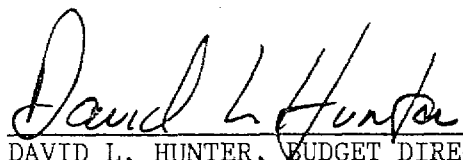
In compliance with a written request, there is hereby submitted a Fiscal Note for HB796, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act limiting the number of bingo machines in an establishment; providing for hours of play of bingo machines; and providing an immediate effective date.

FISCAL IMPACT:

This proposal would have no significant impact on state revenue or expenditures.

 DATE 2/21/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE 2-21-87

JERRY DRISCOLL, PRIMARY SPONSOR

Fiscal Note for HB796, as introduced.

HB 796

APPROVED BY COMM. ON
BUSINESS AND LABOR

1 House BILL NO. 796
2 INTRODUCED BY D. Smith

3 BY REQUEST OF THE HOUSE COMMITTEE ON BUSINESS AND LABOR
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE NUMBER OF
6 BINGO MACHINES IN AN ESTABLISHMENT; PROVIDING FOR HOURS OF
7 PLAY OF BINGO MACHINES; AMENDING SECTIONS 23-5-402 AND
8 23-5-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 23-5-402, MCA, is amended to read:
12 "23-5-402. Definitions. As used in this part, unless
13 the context requires otherwise, the following terms or
14 phrases shall have the following meanings:

15 (1) "Bingo machine" means an electronic video game
16 machine that, upon insertion of cash, is available to play
17 or simulate the play of the game of bingo, utilizing a video
18 display and microprocessors, in which by the skill of the
19 player or by chance, or both, the player may receive free
20 games or credits that can be redeemed for cash. The term
21 does not include a machine that directly dispenses coins,
22 cash, tokens, or anything else of value.

23 (2) "Game of chance" means the specific kind of
24 game of chance commonly known as:

25 (a) "bingo", in which prizes are awarded on the basis

1 of designated numbers or symbols on a card which conform to
2 numbers or symbols selected at random;

3 (b) "raffles", which are conducted by drawing for
4 prizes.

5 ~~(2)~~(3) "Equipment" means:

6 (a) with respect to bingo, the receptacle and numbered
7 objects drawn from it, the master board upon which such
8 objects are placed as drawn, the cards or sheets bearing
9 numbers or other designations to be covered and the objects
10 used to cover them, the boards or signs, however operated,
11 used to announce or display the numbers or designations as
12 they are drawn, public address system, and all other
13 articles essential to the operation, conduct, and playing of
14 bingo; or

15 (b) with respect to raffles, the implements, devices,
16 and machines designed, intended, or used for the conduct of
17 raffles and the identification of the winning number or unit
18 and the ticket or other evidence of right to participate in
19 raffles."

20 Section 2. Section 23-5-414, MCA, is amended to read:

21 "23-5-414. Restrictions on bingo and raffles -- bingo
22 machines in establishment limit -- hours of operation. (1)
23 In the playing of bingo, no person who is not physically
24 present on the premises where the game is actually conducted
25 shall be allowed to participate as a player in the game.

1 (2) Raffles authorized by this part shall be
2 restricted to events and participants within the geographic
3 confines of the state of Montana.

4 (3) No establishment may receive licenses for, under
5 23-5-421, or make available for play more than five bingo
6 machines.

7 (4) An establishment that receives a license to make a
8 bingo machine available for play must be closed each day
9 during the hours provided in 16-3-304 for closure of
10 licensed retail alcoholic beverage establishments."

11 NEW SECTION. Section 3. Extension of authority. Any
12 existing authority of the department of revenue to make
13 rules on the subject of the provisions of this act is
14 extended to the provisions of this act.

15 NEW SECTION. Section 4. Effective date. This act is
16 effective on passage and approval.

-End-

1 HOUSE BILL NO. 796

2 INTRODUCED BY DRISCOLL

3 BY REQUEST OF THE HOUSE COMMITTEE ON BUSINESS AND LABOR

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE NUMBER OF
6 BINGO MACHINES IN AN ESTABLISHMENT; PROVIDING FOR HOURS OF
7 PLAY OF BINGO AND VIDEO DRAW POKER MACHINES; AMENDING
8 SECTIONS 23-5-402, AND 23-5-414, AND 23-5-603, MCA; AND
9 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 23-5-402, MCA, is amended to read:

13 "23-5-402. Definitions. As used in this part, unless
14 the context requires otherwise, the following terms or
15 phrases shall have the following meanings:

16 {1} "Bingo machine" means an electronic video game
17 machine that, upon insertion of cash, is available to play
18 or simulate the play of the game of bingo, utilizing a video
19 display and microprocessors, in which by the skill of the
20 player or by chance, or both, the player may receive free
21 games or credits that can be redeemed for cash. The term
22 does not include a machine that directly dispenses coins,
23 cash, tokens, or anything else of value.

24 {1}{2} "Game of chance" means the specific kind of
25 game of chance commonly known as:

1 (a) "bingo", in which prizes are awarded on the basis
2 of designated numbers or symbols on a card which conform to
3 numbers or symbols selected at random;

4 (b) "raffles", which are conducted by drawing for
5 prizes.

6 {2}{3} "Equipment" means:

7 (a) with respect to bingo, the receptacle and numbered
8 objects drawn from it, the master board upon which such
9 objects are placed as drawn, the cards or sheets bearing
10 numbers or other designations to be covered and the objects
11 used to cover them, the boards or signs, however operated,
12 used to announce or display the numbers or designations as
13 they are drawn, public address system, and all other
14 articles essential to the operation, conduct, and playing of
15 bingo; or

16 (b) with respect to raffles, the implements, devices,
17 and machines designed, intended, or used for the conduct of
18 raffles and the identification of the winning number or unit
19 and the ticket or other evidence of right to participate in
20 raffles."

21 Section 2. Section 23-5-414, MCA, is amended to read:

22 "23-5-414. Restrictions on bingo and raffles -- bingo
23 machines in establishment limit -- hours of operation. (1)
24 In the playing of bingo, no person who is not physically
25 present on the premises where the game is actually conducted

1 shall be allowed to participate as a player in the game.

2 (2) Raffles authorized by this part shall be
3 restricted to events and participants within the geographic
4 confines of the state of Montana.

5 (3) No establishment may receive licenses for, under
6 23-5-421, or make available for play more than five 10 bingo
7 machines UNLESS OTHERWISE DETERMINED BY LOCAL AUTHORITY
8 GOVERNING BODY, BUT NO MORE THAN 10.

9 (4) An establishment that receives a license to make a
10 bingo machine available for play must be--closed--each--day
11 during--the--hours--provided--in--16-3-304--for--closure--of
12 licensed-retail-alcoholic-beverage-establishments HAVE HOURS
13 OF PLAY DETERMINED BY LOCAL AUTHORITY BE--CLOSED HAVE THE
14 MACHINES SHUT OFF EACH DAY DURING THE HOURS PROVIDED IN
15 16-3-304 FOR CLOSURE OF LICENSED RETAIL ALCOHOLIC BEVERAGE
16 ESTABLISHMENTS, UNLESS OTHERWISE DETERMINED BY LOCAL
17 GOVERNING BODY, BUT THE HOURS CANNOT EXCEED THE HOURS
18 PROVIDED IN 16-3-304."

19 SECTION 3. SECTION 23-5-603, MCA, IS AMENDED TO READ:

20 "23-5-603. Video draw poker machines -- possession --
21 play -- hours of play -- restriction. No person may place an
22 electronic video game machine that simulates or offers a
23 game of poker in his licensed establishment unless he is
24 licensed under 23-5-612. Machines licensed under 23-5-612
25 are legal, and it is legal to play such machines, except

1 that a person under the age of 18 years may not play a video
2 draw poker machine and an establishment that receives a
3 license to make a video draw poker machine available for
4 play must be-closed HAVE THE MACHINES SHUT OFF each day
5 during the hours provided in 16-3-304 for closure of
6 licensed retail alcoholic beverage establishments, UNLESS
7 OTHERWISE DETERMINED BY LOCAL GOVERNING BODY. The
8 provisions of part 3 of this chapter do not apply to or
9 prohibit video draw poker machines or the playing of such
10 machines."

11 NEW SECTION. Section 4. Extension of authority. Any
12 existing authority of the department of revenue to make
13 rules on the subject of the provisions of this act is
14 extended to the provisions of this act.

15 NEW SECTION. Section 5. Effective date. This act is
16 effective on passage and approval.

-End-

HOUSE BILL NO. 796

INTRODUCED BY DRISCOLL

BY REQUEST OF THE HOUSE COMMITTEE ON BUSINESS AND LABOR

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE NUMBER OF BINGO MACHINES IN AN ESTABLISHMENT; PROVIDING FOR HOURS OF PLAY OF BINGO AND VIDEO DRAW POKER MACHINES; AMENDING SECTIONS 23-5-402, AND 23-5-414, AND 23-5-603, MCA; AND PROVIDING AN-IMMEDIATE EFFECTIVE DATE DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 23-5-402, MCA, is amended to read:

"23-5-402. Definitions. As used in this part, unless the context requires otherwise, the following terms or phrases shall have the following meanings:

(1) "Bingo machine" means an electronic video game machine that, upon insertion of cash, is available to play or simulate the play of the game of bingo, utilizing a video display and microprocessors, in which by the skill of the player or by chance, or both, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, tokens, or anything else of value.

(2) "Game of chance" means the specific kind of game of chance commonly known as:

(a) "bingo", in which prizes are awarded on the basis of designated numbers or symbols on a card which conform to numbers or symbols selected at random;

(b) "raffles", which are conducted by drawing for prizes.

(3) "Equipment" means:

(a) with respect to bingo, the receptacle and numbered objects drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address system, and all other articles essential to the operation, conduct, and playing of bingo; or

(b) with respect to raffles, the implements, devices, and machines designed, intended, or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence of right to participate in raffles."

Section 2. Section 23-5-414, MCA, is amended to read:

"23-5-414. Restrictions on bingo and raffles -- bingo machines in establishment limit -- EXCEPTION -- hours of operation. (1) In the playing of bingo, no person who is not physically present on the premises where the game is

1 actually conducted shall be allowed to participate as a
2 player in the game.

3 (2) Raffles authorized by this part shall be
4 restricted to events and participants within the geographic
5 confines of the state of Montana.

6 (3) No establishment may receive licenses for, under
7 23-5-421, or make available for play more than five 10 bingo
8 machines UNLESS OTHERWISE DETERMINED BY LOCAL AUTHORITY
9 GOVERNING BODY, BUT NO MORE THAN 10.

10 (4) THE LIMITATION OF 10 BINGO MACHINES PER
11 ESTABLISHMENT DOES NOT APPLY TO AN ESTABLISHMENT THAT CAN
12 ESTABLISH TO THE SATISFACTION OF THE DEPARTMENT THAT IT HAD
13 MORE THAN 10 BINGO MACHINES AVAILABLE FOR PLAY PRIOR TO
14 MARCH 1, 1987. THE LIMITATION FOR THE ESTABLISHMENT IS THE
15 NUMBER OF BINGO MACHINES AVAILABLE FOR PLAY ON THAT DATE.

16 ~~(4)(5)~~ An establishment that receives a license to
17 make a bingo machine available for play must be-closed-each
18 day-during-the-hours-provided-in--16-3-304--for--closure--of
19 licensed-retail-alcoholic-beverage-establishments HAVE-HOURS
20 OF--PLAY--DETERMINED--BY--LOCAL-AUTHORITY BE-CLOSED HAVE THE
21 MACHINES SHUT OFF EACH DAY DURING THE HOURS PROVIDED IN
22 16-3-304 FOR CLOSURE OF LICENSED RETAIL ALCOHOLIC BEVERAGE
23 ESTABLISHMENTS, UNLESS OTHERWISE DETERMINED BY LOCAL
24 GOVERNING BODY, BUT THE HOURS CANNOT EXCEED THE HOURS
25 PROVIDED IN 16-3-304."

1 SECTION 3. SECTION 23-5-603, MCA, IS AMENDED TO READ:

2 "23-5-603. Video draw poker machines -- possession --
3 play -- hours of play -- restriction. No person may place an
4 electronic video game machine that simulates or offers a
5 game of poker in his licensed establishment unless he is
6 licensed under 23-5-612. Machines licensed under 23-5-612
7 are legal, and it is legal to play such machines, except
8 that a person under the age of 18 years may not play a video
9 draw poker machine and an establishment that receives a
10 license to make a video draw poker machine available for
11 play must be-closed HAVE THE MACHINES SHUT OFF each day
12 during the hours provided in 16-3-304 for closure of
13 licensed retail alcoholic beverage establishments, UNLESS
14 OTHERWISE DETERMINED BY LOCAL GOVERNING BODY. The
15 provisions of part 3 of this chapter do not apply to or
16 prohibit video draw poker machines or the playing of such
17 machines."

18 NEW SECTION. Section 4. Extension of authority. Any
19 existing authority of the department of revenue to make
20 rules on the subject of the provisions of this act is
21 extended to the provisions of this act.

22 NEW SECTION. Section 5. Effective date DATES. This
23 (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THIS act is
24 effective on passage and approval.

25 (2) SECTION 23-5-414(3) IS EFFECTIVE JULY 1, 1988.

STANDING COMMITTEE REPORT

SENATE

MARCH 20 19 87

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

having had under consideration..... HOUSE BILL No. 796

third reading copy (blue)
color

LIMITING HOURS OF PLAY AND NUMBERS OF BINGO MACHINES; CAPPING
LICENSE FEES Driscoll (Lynch)

HOUSE BILL 796

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 4, line 15.
Strike: "This"
Insert: "(1) Except as provided in subsection (2), this"
Following: line 16
Insert: "(2) Section 23-5-414(3) is effective July 1, 1988."

AND AS AMENDED
BE CONCURRED IN

XXXXXS

XXXXXXXXXX

SENATOR JACK HAFFER

Chairman.

3-20-87
JGH
15:40

COMMITTEE OF THE WHOLE AMENDMENT

3-25-87

SENATE

DATE

11:45

TIME

796

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. _____
third blue
_____ reading copy (_____) as follows:
Color

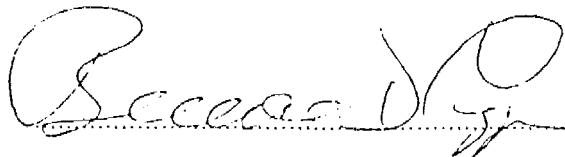
1. Page 2, line 23.
Following: " limit "
Insert: " -- exception "

2. Page 3, following line 8.
Insert: "(4) The limitation of 10 bingo machines per establishment does not apply to an establishment that can establish to the satisfaction to the department that it had more than 10 bingo machines available for play prior to March 1, 1987. The limitation for the establishment is the number of bingo machines available for play on that date."

Renumber: subsequent subsection.

ADOPT

REJECT



Senator Crippen

..... 4-13 19 87

MR. PRESIDENT

FREE

V.e. your _____ Conference Committee on

House Bill 796

met and considered _____ House Bill 796 in its entirety, reference copy

(salmon), including Senate amendments dated 3-20-87 and

3-25-87.

We recommend as follows: That HB 796 be amended as follows:

1) Amending the Senate Standing Committee Report dated 3-20-87, which amended HB 796.
Strike the amendment in its entirety

2) Amending the Senate Committee of the Whole amendment dated 3-25-87 (11:45), which amended HB 796.
Strike the amendments in their entirety

FURTHER AMENDING HB 796

3) Title, line 9.
Following: "PROVIDING"
Insert: "AN"
Strike: "DATES"
Insert: "DATE"

4) Page 3, line 7.
Strike: "10"
Insert: "15"

CONTINUED

And that this Conference Committee report be adopted.

FOR THE SENATE

Sen. Lynch

Sen. Crippen

Sen. McLane

FOR THE HOUSE

Rep. Driscoll

Rep. Gould

Rep. Mercer

ADOPT REJECT

Page 2 of 2
HB 796

5) Page 3, line 8.
Strike: "UNLESS OTHERWISE DETERMINED BY"
Insert: ". A"

6) Page 3, line 9.
Strike: "BUT NO MORE THAN 10"
Insert: "however, may restrict the number of licensed machines available for play in an establishment to less than 15"

7) Page 3, line 16.
Following: "(4)" (renumbered)
Strike: "An"
Insert: "(a) Except as provided in subsection (4) (b), an"

8) Page 3, line 23.
Strike: "UNLESS OTHERWISE DETERMINED BY"
Insert: ". (b) A"

9) Page 3, line 24.
Strike: ", BUT THE" through "16-3-304" on line 25
Insert: "may establish any hours of play for bingo machines that it determines proper"

10) Page 4, line 3.
Following: "."
Insert: "(1)"

11) Page 4, line 9.
Strike: "and"
Insert: ". (2) Except as provided in subsection (3),"

12) Page 4, line 13.
Strike: "UNLESS" through "BODY" on line 14

13) Page 4, line 14.
Following: "."
Insert: "(3) A local governing body may establish any hours of play for video draw poker machines that it determines proper.
(4)"

14) Page 4, line 22.
Strike: "DATES"
Insert: "date"

15) Page 4, line 24.
Strike: "on passage and approval"
Insert: "July 1, 1988"

4-13 1987

MR. SPEAKER

We, your FREE Conference Committee on

House Bill 796

met and considered House Bill 796 in its entirety, reference copy
(salmon), including Senate amendments dated 3-20-87 and
3-25-87.

We recommend as follows:

That HB 796 be amended as follows:

- 1) Amending the Senate Standing Committee Report dated 3-20-87, which amended HB 796.
Strike the amendment in its entirety
- 2) Amending the Senate Committee of the Whole amendment dated 3-25-87 (11:45), which amended HB 796.
Strike the amendments in their entirety

FURTHER AMENDING HB 796

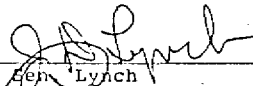
3) Title, line 9.
Following: "PROVIDING"
Insert: "AN"
Strike: "DATES"
Insert: "DATE"

4) Page 3, line 7.
Strike: "10"
Insert: "15"

CONTINUED

And that this Conference Committee report be adopted.

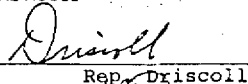
FOR THE SENATE


Sen. Lynch

Sen. C. Appen

Sen. McLane

FOR THE HOUSE


Rep. Driscoll

Rep. Gould

Rep. Mercer

ADOPT REJECT

Page 2 of 2

5) Page 3, line 8.
Strike: "UNLESS OTHERWISE DETERMINED BY"
Insert: ". A"

6) Page 3, line 9.
Strike: "BUT NO MORE THAN 10"
Insert: "however, may restrict the number of licensed machines available for play in an establishment to less than 15"

7) Page 3, line 16.
Following: "(4)" (renumbered)
Strike: "An"
Insert: "(a) Except as provided in subsection (4) (b), an"

8) Page 3, line 23.
Strike: "UNLESS OTHERWISE DETERMINED BY"
Insert: ". (b) A"

9) Page 3, line 24.
Strike: "BUT THE" through "16-3-304" on line 25
Insert: "may establish any hours of play for bingo machines that it determines proper"

10) Page 4, line 3.
Following: "."
Insert: "(1)"

11) Page 4, line 9.
Strike: "and"
Insert: ". (2) Except as provided in subsection (3),"

12) Page 4, line 13.
Strike: "UNLESS" through "BODY" on line 14

13) Page 4, line 14.
Following: "."
Insert: "(3) A local governing body may establish any hours of play for video draw poker machines that it determines proper.
(4)"

14) Page 4, line 22.
Strike: "DATES"
Insert: "date"

15) Page 4, line 24.
Strike: "on passage and approval"
Insert: "December 31, 1988"

HB 796
#2

.....4-21..... 1987.....

MR. PRESIDENT.

We, your _____ FREE _____ Conference Committee on
House Bill 796

met and considered _____ House Bill 796 in its entirety, reference copy
(salmon), including Senate amendments dated 3-20-87 and
3-25-87.

We recommend as follows: That HB 796 be amended as follows:

- 1) Amending the Senate Committee of the Whole amendment dated 3-25-87 (11:45), which amended HB 796.
Strike the amendments in their entirety

FURTHER AMENDING HB 796

2) Title, line 6.
Following: "BINGO"
Insert: "OR KENO"

3) Title, line 7.
Following: "BINGO"
Insert: "OR KENO"

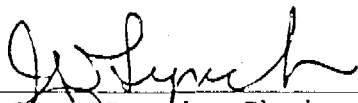
4) Title, line 9.
Following: "DATES"
Insert: ", AND A TERMINATION DATE"

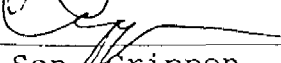
5) Page 1, line 16.
Following: "Bingo"
Insert: "or keno"

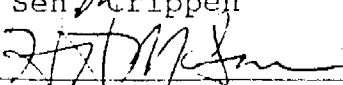
CONTINUED

that this Conference Committee report be adopted.

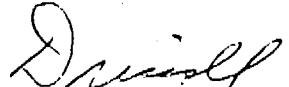
FOR THE SENATE

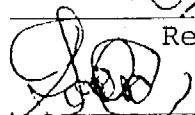

Sen. Lynch, Chairman


Sen. Crippen


Sen. McLane

FOR THE HOUSE


Rep. Driscoll


Rep. Gould


Rep. Mercer

REJECT

6) Page 1, line 18.
Following: "bingo"
Insert: "or keno"

7) Page 2, line 1.
Following: "bingo"
Insert: "or keno"

8) Page 2, line 7.
Following: "bingo"
Insert: "or keno"

9) Page 2, line 15.
Following: "bingo"
Insert: "or keno"

10) Page 2, following line 20.
Insert: "NEW SECTION. Section 2. Section 23-5-414, MCA, is amended to read: "23-5-414. Restrictions on bingo, keno, and raffles -- bingo or keno machines in establishment limit -- EXCEPTION -- hours of operation. (1) In the playing of bingo keno, no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game. (2) Raffles authorized by this part shall be restricted to events and participants within the geographic confines of the state of Montana. (3) No establishment may receive licenses for, under 23-5-421, or make available for play more than 40 bingo or keno machines."

Renumber subsequent sections.

11) Page 2, line 22.
Following: "bingo"
Insert: ", keno,"
Following: "bingo"
Insert: "or keno"

12) Page 2, line 24.
Following: "bingo"
Insert: " or keno"

13) Page 3, line 7.
Strike: "10"
Insert: "15"
Following: "bingo"
Insert: "or keno"

14) Page 3, line 8.
Strike: "UNLESS OTHERWISE DETERMINED BY"
Insert: ". A"

15) Page 3, line 9.

Strike: "BUT NO MORE THAN 10"

Insert: "however, may restrict the number of licensed machines available for play in an establishment to less than 15, but must allow at least 5"

16) Page 3, line 16.

Following: "(4)" (renumbered)

Strike: "An"

Insert: "(a) Except as provided in subsection (4) (b), an"

17) Page 3, line 17.

Following: "bingo"

Insert: "or keno"

18) Page 3, line 23.

Strike: ", UNLESS OTHERWISE DETERMINED BY"

Insert: ". (b) A"

19) Page 3, line 24.

Strike: ", BUT THE" through "16-3-304" on line 25

Insert: "may establish any hours of play for bingo or keno machines that it determines proper"

20) Page 4, line 3.

Following: "."

Insert: "(1)"

21) Page 4, line 9.

Strike: "and"

Insert: ". (2) Except as provided in subsection (3),"

22) Page 4, line 13.

Strike: ", UNLESS" through "BODY" on line 14

23) Page 4, line 14.

Following: "."

Insert: "(3) A local governing body may establish any hours of play for video draw poker machines that it determines proper.
(4)"

24) Page 4, line 22.

Following: "DATES"

Insert: "and termination date"

25) Page 4, line 24.

Strike: "on passage and approval"

Insert: "July 1, 1988"

26) Page 4, line 25.

Strike: "SECTION" through "EFFECTIVE"

Insert: "New section 2 is effective July 1, 1987, and terminates"

HOUSE BILL NO. 796

INTRODUCED BY DRISCOLL

BY REQUEST OF THE HOUSE COMMITTEE ON BUSINESS AND LABOR

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE NUMBER OF BINGO OR KENO MACHINES IN AN ESTABLISHMENT; PROVIDING FOR HOURS OF PLAY OF BINGO OR KENO AND VIDEO DRAW POKER MACHINES; AMENDING SECTIONS 23-5-402, AND 23-5-414, AND 23-5-603, MCA; AND PROVIDING AN--IMMEDIATE EFFECTIVE DATE DATES AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 23-5-402, MCA, is amended to read:

"23-5-402. Definitions. As used in this part, unless the context requires otherwise, the following terms or phrases shall have the following meanings:

(1) "Bingo OR KENO machine" means an electronic video game machine that, upon insertion of cash, is available to play or simulate the play of the game of bingo OR KENO, utilizing a video display and microprocessors, in which by the skill of the player or by chance, or both, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, tokens, or anything else of value.

(2) "Game of chance" means the specific kind of

game of chance commonly known as:

(a) "bingo" OR "KENO", in which prizes are awarded on the basis of designated numbers or symbols on a card which conform to numbers or symbols selected at random;

(b) "raffles", which are conducted by drawing for prizes.

(3) "Equipment" means:

(a) with respect to bingo OR KENO, the receptacle and numbered objects drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address system, and all other articles essential to the operation, conduct, and playing of bingo OR KENO; or

(b) with respect to raffles, the implements, devices, and machines designed, intended, or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence of right to participate in raffles."

SECTION 2. SECTION 23-5-414, MCA, IS AMENDED TO READ:

"23-5-414. Restrictions on bingo, keno, and raffles -- bingo or keno machines in establishment limit -- exception -- hours of operation. (1) In the playing of bingo or keno,

no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game.

(2) Raffles authorized by this part shall be restricted to events and participants within the geographic confines of the state of Montana.

(3) No establishment may receive licenses for, under 23-5-421, or make available for play more than 40 bingo or keno machines."

Section 3. Section 23-5-414, MCA, is amended to read:

"23-5-414. Restrictions on bingo, KENO, and raffles -- bingo OR KENO machines in establishment limit ---EXCEPTION -- hours of operation. (1) In the playing of bingo OR KENO, no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game.

(2) Raffles authorized by this part shall be restricted to events and participants within the geographic confines of the state of Montana.

(3) No establishment may receive licenses for, under 23-5-421, or make available for play more than five to 15 bingo OR KENO machines UNLESS--OTHERWISE--DETERMINED--BY. A LOCAL AUTHORITY GOVERNING BODY, BUT NO MORE THAN 10 HOWEVER, MAY RESTRICT THE NUMBER OF LICENSED MACHINES AVAILABLE FOR PLAY IN AN ESTABLISHMENT TO LESS THAN 15, BUT MUST ALLOW AT

LEAST 5.

~~(4) THE LIMITATION OF 10 BINGO MACHINES PER ESTABLISHMENT DOES NOT APPLY TO AN ESTABLISHMENT THAT CAN ESTABLISH TO THE SATISFACTION OF THE DEPARTMENT THAT IT HAD MORE THAN 10 BINGO MACHINES AVAILABLE FOR PLAY PRIOR TO MARCH 17 1987. THE LIMITATION FOR THE ESTABLISHMENT IS THE NUMBER OF BINGO MACHINES AVAILABLE FOR PLAY ON THAT DATE.~~

~~(4)(5)(4) An (A) EXCEPT AS PROVIDED IN SUBSECTION (4)(B), AN establishment that receives a license to make a bingo OR KENO machine available for play must be closed each day during the hours provided in 16-3-304 for closure of licensed retail alcoholic beverage establishments HAVE HOURS OF PLAY DETERMINED BY LOCAL AUTHORITY BE CLOSED HAVE THE MACHINES SHUT OFF EACH DAY DURING THE HOURS PROVIDED IN 16-3-304 FOR CLOSURE OF LICENSED RETAIL ALCOHOLIC BEVERAGE ESTABLISHMENTS, UNLESS OTHERWISE DETERMINED BY.~~

~~(B) A LOCAL GOVERNING BODY, BUT THE HOURS CANNOT EXCEED THE HOURS PROVIDED IN 16-3-304 MAY ESTABLISH ANY HOURS OF PLAY FOR BINGO OR KENO MACHINES THAT IT DETERMINES PROPER.~~

SECTION 4. SECTION 23-5-603, MCA, IS AMENDED TO READ:

"23-5-603. Video draw poker machines -- possession -- play -- hours of play -- restriction. (1) No person may place an electronic video game machine that simulates or offers a game of poker in his licensed establishment unless

he is licensed under 23-5-612. Machines licensed under 23-5-612 are legal, and it is legal to play such machines, except that a person under the age of 18 years may not play a video draw poker machine and.

(2) EXCEPT AS PROVIDED IN SUBSECTION (3), an establishment that receives a license to make a video draw poker machine available for play must be-closed HAVE THE MACHINES SHUT OFF each day during the hours provided in 16-3-304 for closure of licensed retail alcoholic beverage establishments,--UNLESS--OTHERWISE--DETERMINED--BY--LOCAL GOVERNING-BODY.

(3) A LOCAL GOVERNING BODY MAY ESTABLISH ANY HOURS OF PLAY FOR VIDEO DRAW POKER MACHINES THAT IT DETERMINES PROPER.

(4) The provisions of part 3 of this chapter do not apply to or prohibit video draw poker machines or the playing of such machines."

NEW SECTION. Section 5. Extension of authority. Any existing authority of the department of revenue to make rules on the subject of the provisions of this act is extended to the provisions of this act.

NEW SECTION. Section 6. Effective date DATES -- TERMINATION DATE. This (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THIS act is effective on-passage-and-approval JULY 1, 1988.

(2) SECTION--23-5-414(3)--IS--EFFECTIVE SECTION 2 IS EFFECTIVE JULY 1, 1987, AND TERMINATES JULY 1, 1988.

-End-

COMMITTEE--(S) BUSINESS & INDUSTRY

RUN TIME... 08:32
RUN DATE... 04/22/87CHAIRMAN--SEN. ALLEN C. KOLSTAD
NORMAL SCHEDULE==> SITE: ROOM 410

DAYS: MON THRU FRI

TIME: 10:00 A.M.

SECRETARY-CAROLYN LINDEN

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0771	2/23	3/17	3/17/87	CONCUR AS AMENDED		3/17/87
GLASER, BILL			REVISE SURPLUS LINES INSURANCE LAWS			
HB0796	3/02				STATE ADMIN.	
DRISCOLL, JERRY			LIMITING HOURS OF PLAY AND NUMBERS OF BINGO MACHINES; CAPPING LICENSE FEES			
HB0803	3/02	3/09	3/9/87; 3/10/87	CONCUR		3/10/87
CAMPBELL, BUD			REVISE INSURANCE AGENTS LICENSING LAWS			
HB0806	3/02	3/09	3/9/87; 3/10/87	CONCUR AS AMENDED	BUSINESS & LABOR	3/10/87
PAVLOVICH, BOB			REVISING MONTANA LIFE AND HEALTH GUARANTY ACT			
HB0806	3/17	3/18	3/18/87; 3/23/87; 3/26/87	CONCUR AS AMENDED		3/26/87
PAVLOVICH, BOB			REVISING MONTANA LIFE AND HEALTH GUARANTY ACT			
HB0817	3/13	3/20	3/20/87; 3/27/87	CONCUR		3/27/87
GLASER, BILL			INDEPENDENT LIABILITY FUNDS FOR SMALL BUSINESS			
HB0823	3/02	3/12	3/12/83; 3/16/87	CONCUR AS AMENDED		3/16/87
SQUIRES, CAROLYN			REVISE LAWS RELATING TO DISABILITY INSURANCE			
HB0849	4/03	4/09	4/9/87	CONCUR		4/9/87
QUILICI, JOE			FUNDING FOR MONTANA STATEHOOD CENTENNIAL OFFICE			
HB0862	4/03	4/08	HEARING CANCELED		FINANCE & CLAIMS	
WINSLOW, CAL			MONTANA PROGRESSIVE DEVELOPMENT ACT			
HB0863	3/25	3/31	3/31/87; 4/8/87; 4/9/87	CONCUR AS AMENDED		4/8/87
WALLIN, NORM			NET INCOME TAX ON VIDEO POKER AND KENO MACHINES			
HB0905	4/03	4/08	4/8/87; 4/9/87	TABLED		TABLED 4/9/87
WINSLOW, CAL			PROMOTE ECONOMIC DEVELOPMENT THROUGH INVESTMENT IN NEW TECHNOLOGY			

COMMITTEE--(S) STATE ADMINISTRATION

RUN DATE... 04/22/87

CHAIRMAN--SEN. JACK HAFEEY
NORMAL SCHEDULE==> SITE: ROOM 331

DAYS: MON THRU FRI

TIME: 10:00 A.M.

SECRETARY-CAROL DUVAL

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0721	3/02	3/13		CONCUR AS AMENDED	STATE ADMIN.	3/13
THOMAS, FRED			CONSTITUTIONAL AMENDMENT REQUIRING 45-DAY ANNUAL SESSIONS			
HB0721	3/19	3/25		CONCUR AS AMENDED		3/26
THOMAS, FRED			CONSTITUTIONAL AMENDMENT REQUIRING 45-DAY ANNUAL SESSIONS			
HB0747	3/02	3/10		CONCUR		3/10
GOULD, BUDD			PROVIDE VOTING ACCESSIBILITY FOR THE HANDICAPPED AND ELDERLY			
HB0755	3/02	3/10		CONCUR		3/10
COBB, JOHN			PERMANENTLY ALLOW EMPLOYEE INCENTIVE AWARDS UP TO \$3,000 MAXIMUM			
HB0767	3/02	3/09		ADVERSE REPORT		3/09
FRITZ, HARRY			ALLOW USE OF ALTERNATIVE FINANCING ARRANGEMENTS TO ACQUIRE STATE BUILDINGS			
HB0792	3/02	3/10		CONCUR AS AMENDED		3/10
WALLIN, NORM			PROVIDE COMPENSATION FOR MEMBERS OF MONTANA HEALTH FACILITY AUTHORITY			
HB0796	3/06	3/19		CONCUR AS AMENDED		3/20
DRISCOLL, JERRY			LIMITING HOURS OF PLAY AND NUMBERS OF BINGO MACHINES; CAPPING LICENSE FEES			
HB0894	4/03				LONG RANGE PLAN.	
THOFT, BOB			LOCATE THE LAW ENFORCEMENT ACADEMY AT WESTERN MONTANA COLLEGE IN DILLON			
HB0895	4/03				LONG RANGE PLAN.	
PHILLIPS, JOHN			ESTABLISH LOCATION OF LAW ENFORCEMENT ACADEMY AT THE COLLEGE OF GREAT FALLS			
HB0903	4/03				LONG RANGE PLAN.	
GRINDE, LARRY HAL			RELOCATE THE LAW ENFORCEMENT ACADEMY TO LEWISTOWN			
HJ0002	1/21	1/29		CONCUR AS AMENDED		1/29
RAPP-SVRCEK, PAUL			JOINT POW-MIA RESOLUTION			

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 19, 1987

The fortieth meeting of the Senate State Administration Committee was called to order by Chairman Jack Haffey on March 19, 1987 at 10:05 a.m. in Room 413/415 of the State Capitol.

ROLL CALL: All committee members were present except for Senator Rasmussen who was excused.

The hearing was opened on House Bill 796.

CONSIDERATION OF HOUSE BILL 796: Representative Jerry Driscoll, House District 92, Billings, was sponsor for the bill entitled, "AN ACT LIMITING THE NUMBER OF BINGO MACHINES IN AN ESTABLISHMENT; PROVIDING FOR HOURS OF PLAY OF BINGO AND VIDEO DRAW POKER MACHINES; AMENDING SECTIONS 23-5-402, 23-5-414, AND 23-5-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." This bill would limit the amount of keno machines in an establishment to ten machines and the hours of operation would be the same as for a bar with closings at 2 a.m. He stated he felt that local authorities should have control over the number of machines and the hours.

PROPOSERS: Representative Bob Pavlovich, House District 70, Butte-Silver Bow, noted that two years ago he was the prime sponsor for the poker machines and that when that bill passed there was no intention of having casinos in the state. There was a limit of five poker machines per establishment. The keno machine owners took advantage of a loophole and started building casinos. He stated if we are going to have gambling it should be wide open like Nevada. The casinos are taking the business away from tavern owners he felt. The loophole that remained in the bill passed last session was that if you served food you could play the machines longer than 2 a.m. in the morning. He stated they were proposing an amendment that would leave this determination up to the local authorities. He stated the tavern owners have to close at 2 a.m. and felt the casinos should have to also.

Mae Jenkins, Yellowstone County Treasurer, who is also chairman of the Yellowstone County Gambling Commission, stated she was in support of House Bill 796. She said that the gambling commission has been faced with more problems in the past six months since the opening of the casinos in the city than they have ever faced before. She felt the county establishments were well run but the problems seemed to be within the city limits. She had received calls from other states concerning the gambling regulations which indicated to her there was interest in expanding gambling. She was concerned about the money that would no longer be available for the tax rolls. She felt the bill was a good bill because it has limitations but does not eliminate the businesses either.

Don Peoples, Chief Executive of Butte-Silver Bow, spoke in support of the proposal. He felt it was time to put on some limits and did not think Montana wanted to see casinos multiply. He felt it was a threat which would eventually eliminate the entire system. He felt limitations were needed for some control.

Patrick D. Novasio, Billings, who represented the Billings Restaurant Association, stated the City of Billings will not allow their council members to limit the numbers of machines per establishment. He noted the police are not enforcing the laws either. He showed the committee advertisements from local papers offering free breakfast or lunch which he stated made it very difficult for the small eating establishments to compete with. They did not want to become victims because of a flaw in the law and felt a small group of businessmen are taking advantage of it. He noted that other cities do have regulations on the numbers of machines. He urged that the bill be concurred in. (EXHIBIT 1)

Bob Durkee, from the Montana Tavern Association, felt the tavern industry was not being greedy in taking a stand against the casinos and that the committee should consider those who are trying to survive in difficult times.

Representative Richard Nelson, House District 6, Kalispell, noted he had received a deluge of letters from people in his district wanting no more gambling or at least that there be a limitation on the hours. He noted many restaurants are having difficulty competing because of the free or cut rate meals that are being offered by the casinos. He felt a lid needed to be placed on gambling in the state.

Ernie Rosecki, from Borries in Great Falls, stated that a week ago the Cascade County Tavern Association had met and polled their members and of the 62 members there 60 voted for support of this proposal. He felt that the smaller establishments just could not compete with the casinos and might be forced to close. He then distributed a copy of the petition they had signed. (EXHIBIT 2)

Mignon Waterman, representing the Montana Association of Churches, supported House Bill 796 with the limitation on gambling.

John Poston, representing the Montana Coin Machine Operators Association, noted statistics that show 87% of the people who own the machines are people other than bar owners. He noted that they support the bill and would definitely support a cap on the numbers of machines per establishment. He suggested a cap of not more than 30 machines.

Richard Goubon, a Billings restaurant owner, stated if this bill does not pass that a number of jobs in local restaurants will be eliminated and it would further deteriorate the economy in the

Billings area and the whole state eventually.

Representative Dorothy Cody, House District 20, Wolf Point, stated she was also in support of the bill.

OPPONENTS: Representative Barry Stang, House District 52, St. Regis, opposed the bill because of the amendments that had been added in the House. He wanted the local governments to have the option of control in their jurisdictions. He felt it was really a local control issue and should remain that way.

John Alke, a Helena attorney representing the Gold Nugget Casino, offered an amendment for grandfathering in the existing businesses. (EXHIBIT 3) He noted the businessmen he represented had opened the businesses with the concept that they could sell food and beverages centered around a substantial number of keno or bingo machines. He felt this was not wide open gambling when you are talking about only one kind of a machine. The establishments employ between 80-90 people, many who came off the welfare rolls he said. They had borrowed a great deal of money to finance this operation and he felt his clients had acted fairly and in accordance with the way the law was written. He felt the matter should be decided fairly. His proposed amendment would allow those establishments that already have more than ten machines to keep whatever amount they had in place on the first of March, 1987. The tavern owners would like to see changes made retroactive and destroy the casinos he felt.

Bill Peterson, Executive Vice-President of the Western Bank in Billings, stated they had financed the four businesses that would be negatively impacted by passage of this bill. He felt they ought to be given the opportunity to compete and not be legislated out of business.

Charles Gravely, representing a number of operators and owners of bingo machines, noted they were opposed to the bill because they felt it should be a local control issue. He noted he had been a county attorney when the machines first came in and they had not received complaints from people about the operation of the machines. He concurred with an amendment that Rep. Stang had suggested that the hours cannot exceed the hours provided in Section 16-3-304. He felt the language concerning the number of machines ought to be struck also as this should also be a local control issue. If these people are put out of business it would also put a number of people out of work he said. He felt they should not be regulated as to the amount they can charge for food either as that should be a business judgement of each establishment. He would prefer to see the bill killed he said.

Lea Knight, President of Utlar Research from Seattle, Washington, stated she was hired by Poncho Magoos and Flippers Casinos to do an independent research sampling of consumers in the Flathead area about their feelings on gambling and casinos. She noted there were not many people who even realized that it was an issue. Once they were told, 72% of those polled stated they would prefer to have gambling regulated and taxed as a vehicle to increase the state's revenue. Fifty percent of the people preferred not to limit the number of machines in an establishment. She felt it was important to consider the feelings of the people.

Jim Durkin, a lobbyist for Poncho Magoo's in Kalispell, noted he began as a small businessman in Great Falls in the gas station business and they had to learn to compete with service and merchandising and government regulations. He noted those who are employed by Poncho Magoos are afraid of losing their jobs and the businessmen are going to lose their investments. He urged the committee not to abolish what was perfectly legal last year. He also distributed information on the Indian gambling issue. (EXHIBIT 4)

Frank Kroll, General Manager of the Gold Nugget Casino in Billings, spoke on behalf of the 42 employees he supervised. He noted these people do not want to be unemployed. He urged the bill do not pass.

Loretta Bagley, an employee of the Gold Nugget, stated it was a very fine place to work and said she wanted to keep her job.

Janie Heik, an employee of the Gold Nugget Casino, stated she appreciated her job and those she works with and that they want to remain employed.

Alita Kipley, Kitchen Manager for the Gold Nugget, stated it was a very fine place to work and hoped that HB 796 would not pass as it is written. Sid Smith, Helena, submitted testimony in opposition. (EXHIBIT 5)

QUESTIONS ON HOUSE BILL 796: Senator Lynch asked Rep. Stang about the local control issue. Rep. Stang felt this amendment would force the issue to go before the local authorities to determine hours and the numbers of machines. He asked Rep. Stang if he would object to an amendment offering a grace period so the businessmen could have time to get rid of their machines. Senator Harding wondered how many machines there were. Mr. Alke stated if local governments would license on a machine by machine basis it would be easy to keep track. In Billings they do not license this way however. Senator Anderson asked Mr. Durkin about the gambling on the Indian reservations.

Senator Harding asked Rep. Nelson if the Kalispell people had gone to their city commission about their concerns and he stated they had and had and were met with apathy.

Senator Hofman asked Mr. Novasio how many machines they felt a casino could be limited to before it would not impact them. He stated he would like to see it limited to five poker and five keno machines. Senator Lynch asked what type of license one needed to open up a casino and was told just a license to sell consumable products. The taxes are strictly up to the local governments. In Billings the current rate is \$750 for however many machines you have. Senator Haffey asked how many casinos there were presently in the state and was told 8 to 10. He asked Rep. Driscoll if he would be agreeable to the grandfathering amendment and he stated this would be a problem. He felt the laws needed to be clarified so local authorities knew where they stood. Senator Haffey asked Mae Jenkins how many machines there were in Yellowstone County and she said 100 and in the city there are perhaps 250. In Butte the largest number in any one establishment is 10 Rep. Pavlovich stated.

Senator Farrell asked if the tavern association had looked at the laws on gambling on the Indian reservations. Mr. Durkee felt the recent Supreme Court decision would take the state entirely out of any attempt to regulate gambling on the reservations. The Flathead tribe had recently made a statement they wanted no part of legalized gambling it was noted. Senator Farrell wondered if the Indians decided to buy some property in a town and open up a casino if the state would regulate this and Mr. Gravely felt that they could. He felt the opinion applied to reservation grounds only. Rep. Cody pointed out there are two types of Indian land, trust and deeded. She noted in her area that the tribal council will not allow Indians to sell liquor on trust land and on deeded land they have to go through the state to apply for a liquor license. Currently in Wolf Point they only allow live bingo on reservation lands. She did not feel that as a rule the reservations were encouraging gambling or alcohol.

Rep. Driscoll felt we had a hodgepode of laws on regulating the gambling currently and felt it should be made clear that the local authorities have control. He stated the laws are going to have to be changed regarding gambling regulations eventually in order to have sensible laws. They need to be written in such a way that people will not find loopholes he said. He CLOSED the hearing on HB 796.

GOVERNOR'S APPOINTMENTS: A new set of Governor's appointments had been received by the committee and these were distributed to the members. Senator Haffey noted there will be separate votes on the nominees on the Senate floor. A hearing has been scheduled for Friday, March 27 for these.

ROLL CALL

SENATE STATE ADMINISTRATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date MARCH 19, 1987

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACK HAFNEY	X		
SENATOR WILLIAM FARRELL	X		
SENATOR LES HIRSCH	X		
SENATOR JOHN ANDERSON	X		
SENATOR J. D. LYNCH	X		
SENATOR ETHEL HARDING	X		
SENATOR ELEANOR VAUGHN	X		
SENATOR SAM HOFMAN	X		
SENATOR HUBERT ABRAMS	X		
SENATOR TOM RASMUSSEN	X		

Each day attach to minutes.

DATE MARCH 19, 1987

COMMITTEE ON SENATE STATE ADMINISTRATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
CHRISTY JOHNSON	FLIPPERS	796		X
Janara Anton-Noskov	Slipper's Casino	796		X
Barbara Foster	1st Red Door Ldg.	796	X	
June Spornheim	Spoon Saloon Mt Falls	796	X	
Markie Mae	Hangout Mt Falls	796	X	
John Toman	Loughan Lounge	796	X	
Alan Landy	City of Billings	796	X	
Gary Veslin	Changrind Zestful	796	X	
Richard Manning Senator	Senate Dist 18 H. J.	796	X	
Carl Stover	Black Eagle Mt.	796	X	
Ernest Abel	Great Falls Hotel	796	X	
Carrie D. Simonson	Great Falls Motel	796	X	
Orville Adams	St Falls mt	796	X	
William Peterson	Billings MT	796	X	
Eugene L. Alcorn	Billings MT	796		X
Richard W. Gorman	Billings, MT	796	X	
Lorri A. Giers	Billings MT	796		X
Charles Bravelley	Helena, Mt Independent Operators	796		X
James Leggett	Missoula MT	796		X
Jeff Lundberg	Helena MT	796		X
Wainston Caldwell	Flippers mob. MT	796		X
Reid Elli	Billings MT			X
Doranne E. Bergsli	Billings MT	796		X
Tina Blasi	Blg. MT.	796		X
Pat Fairbanks	Whisper, MT	796		X

(Please leave prepared statement with Secretary)

DATE MARCH 19, 1987

COMMITTEE ON SENATE STATE ADMINISTRATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Beel Clark	Gold Nugget	796		X
Lisa Reid	Gold Nugget	796		X
Linda L. Evans	Gold Nugget	796		X
Orin Daniels	Gold Nugget	796		X
Shirley Sherman	Gold Nugget	796		X
Bob Lee	Gold Nugget	796		X
Teri Fish	Gold Nugget	796		X
Jeta Jackson	Gold Nugget	796		X
Terri Lindell	Gold Nugget	796		X
Don Sage	Pancho Maggo's	796		X
Bob Taylor	Kalispell	796		X
Chris Jessop	Pancho Maggo's Kal	796		X
Tim McDaniel	Pancho Maggo's Kalispell	796		X
Morris McDaniel	" " "	796		X
Ronan D. Jones	Pancho Maggo's Kalispell	796		X
Susan French	Pancho Maggo's Kalispell	796		X
Kathy Bos	Pancho Maggo's Kal	796		X
Kathy Service	Gold Nugget	796		X
Kalanch Ballard	Gold Nugget	796		X
Robert M. Cate	Butte-Lake Pro Pmt. Mtn	796	X	
Jim L. Hargreaves	Billings Gold Nugget	796		X
Cynthia Kachlick	Billings Gold Nugget	796		X
Lorraine Kanack	Billings Gold Nugget	796		X
Doris Canine	Billings Gold Nugget	796		X
Matthew Bollmeyer	Pancho Maggo's Kalispell	796		X
Bobby Lindley	Pancho Maggo's Kalispell	796		X

(Please leave prepared statement with Secretary)

DATE MARCH 19, 1987

COMMITTEE ON SENATE STATE ADMINISTRATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Stelton Hernandez	Pancho Magaons	796		X
Scott Cabiller	Pancho Magaons	796		X
Art Lindell	Pancho Magaons	796		X
Jackie I. Knud	Flippers	796		X
Linda Diven	Flippers	796		X
H.G. Billner	FLIPPERS	796		X
Jamie Pennington	Flippers	796		X
Wayne L. Vossburgh	Pancho Magaons	796		X
Della Vossburgh	Pancho Magaons	796		X
Ethel Bittner	Flippers	796		X
Mel Alwer	Flippers	796		X
Frank J. Seal	Flippers	796		X
Laura Wandtke	Flippers	796		X
Rick Kalanick	Flippers	796		X
Carol A. Dennis	Flippers	796		X
Angie Gorderman	Flippers	796		X
Bonnie Fisher	Flippers	796		X
Tina Andrews	Flippers	796		X
William SANDERS	Gold Nugget	796		X
Paul A. Caylor	Gold Nugget	796		X
Ann E. Liegans	Gold Nugget	796		X
Danet Harmon	Flippers	796		X
Henry Allen	Flippers	796		X
Wanda A. D. Thompson	Flippers	796		X
Jack M. H. H.	Flippers	796		X

(Please leave prepared statement with Secretary)

(This sheet to be used by those testifying on a bill.)

NAME: PATRICK D. NOVASIO DATE: 2/19/69

ADDRESS: 1822 BELVEDERE BUILDINGS

PHONE: 652-7254

REPRESENTING WHOM? RES. ASSOC. OF BUILDINGS

APPEARING ON WHICH PROPOSAL: 796

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

We, the undersigned Tavern owners from Cascade County urge your consideration and support for House Bill 796.

We feel strongly that the limits placed on machines in HB 796 are adequate for the State of Montana. We also concur with closing hours in this bill.

NAME

ESTABLISHMENT

Walter D. Higgins	Rose Room Back Lounge
Duane F. Houtch	Shamrock Bar
W. C. Peasman	Cartwheel L BAR
Lloyd Morris	Sports Room
Ray Evans	GABBY'S
Et. Hassel	Borrie's
Jim Miller	Village Inn
John T. Brown	Lantern
Dorinda Stelari	Side Track
Jim W. H. H. H.	SAIL BOAT
Jack R. Hoffmann	Spoons Saloon
Barbara Ann Foster	The Red Deer Lounge, Inc.
Paul Z. H. H.	Pisano's
K. C. H. H.	I + 1 Lounge
William S. H. H.	Eagles Lodge
Harry H. H.	Barber Shop #14
John E. Wolf	Eagle's Lodge #14
Ken H. H.	GOLD RUSH
Jon O. H. H.	Club Vign
Clarence H. H.	Newspaper House

We, the undersigned Tavern owners from Cascade County urge your consideration and support for House Bill 796.

We feel strongly that the limits placed on machines in HB 796 are adequate for the State of Montana. We also concur with closing hours in this bill.

NAME

ESTABLISHMENT

Arno M. Anderson	Cascade Tavern, Inc.
Shirley Dennerice	Shirley Bawl Aibbi Kange
Robert Colman	Down Bar
J. L. Murphy	Murphy's Bowl
Francis Matchett	Pen n Cue
W. H. H.	WINE MILL
Jim Heston	Town Trust
Samuel Heston	TJ's Lounge
Ray Elmer	TJ's Lounge
Shane McFadden	H H TOURN
Donald Spunkin	Merry-Co-Round Bar
Jack Brown	Spoon's Saloon
Hinda Hewitt	P. Balla-
Sam Hurlburt	WALLS WARD
Margie Lu	Rainbow Hotel
Ernie Mae	Curly's Bar
Kathy Hallagher	Harpacut
Ally Mae	Coparse
Bob Brown	Village Inn
Bessie K. Cairney	Bar-d-
Madeline Mae	Red Don Lounge
	The Herodot

We, the undersigned Tavern owners from Cascade County urge your consideration and support for House Bill 796.

We feel strongly that the limits placed on machines in HB 796 are adequate for the State of Montana. We also concur with closing hours in this bill.

NAME

ESTABLISHMENT

erry Fraser
Catricia Lentz
Lawrence H. Schott
E. L. O'Hara
Margaret Ehnok
Tom Heiler
Carla Van Wood
Jan Swanson

Iron Pine Lounge
Iron Pine Lounge
Office Bar Vaughn, MT
Really unusual Monarch
Lido Bar - GT Falls, MT
Playground
The Other Place
Sky Line Bar

NAME

Mark R. Jensen
John P. Jensen

3-D International
SHERATON HOTEL

Carl Lenci
Don Carlson
Kenneth Palagi
John Paul
John Johnson
W. H. H. H.
W. H. H. H.

Carl Bar Black Eagle
Black Eagle (Great Falls)
It's D's (Great Falls)
The Outpost (Great Falls)
Lyncheon Lounge
Little Ains
Keweenaw Lounge

HB 796

THIRD READING

1. Page 4

Following: Line 10

Insert: New Section. Section 4. The limitation of ten bingo machines specified in Section [2] shall not apply to an establishment that had more than ten bingo machines actually available for play prior to March 1, 1987. The limitation for such establishment shall be the number of bingo machines actually available for play on that date.

Renumber

(This sheet to be used by those testifying on a bill.)

NAME:

John alk

DATE:

3/19

ADDRESS:

406 Fuller Ave

PHONE:

447-8690

REPRESENTING WHOM?

Gold Nugget

APPEARING ON WHICH PROPOSAL:

796

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

MARCH 19 1985

HB 796
MEMBERS OF THE COMMITTEE
JIM DURKIN

I'm lobbying for Pancho Magoo's in Kalispell, that employs more than 80 people.

I've been a small businessman for over 30 years in Great Falls. I started in a 3 pump service station in 1955. We have watched the service station industry go from 3 & 4 pump stations to over 26 pump stations and now back to 2 pump convenient stores. Still my 3 pump operation-today-is still in operation doing better than ever. I can remember our Petroleum Retail Assoc. coming to Helena, lobbying to try and control the competition. Today that service station is better off because cool heads prevailed in those years and we learned to compete with service and merchandising. The market continually changes and business adjusts with out government controls and regulations.

The fear confronting these people employed by Pancho Magoo's today, IS THE LOSS OF THEIR JOBS, a total of over 80 of them in the Kalispell area, jobs that were hard to come by, and that were generated by vote of the people, to have more open gaming in this state. Now these employees may be on the streets trying to locate other work or be put on welfare.

The need now in Montana is to increase jobs and employment but this bill will cost us both. Poncho Magoo's presently has an investment of almost \$900,000.00 in capital improvments with an annual payroll of \$650,000.00. This is no small business.

This business has a positive effect on drawing tourists to the Flathead valley.

I have all types of information on the Indian gambling issue, Indian gaming news notes, new legal developments, and the proposal for the Lake Superior Chippewa development of the Fond-du-Luth gaming casino. A whole downtown block of property, 129 East Superior Street, placed in trust by the Indian tribe for the specific purpose of gaming. Now in 1987 a multi million dollar development. This is where the dollars will be going. Their will be no revenue developed for our state, from the activities, which have already started on tribal land in Montana.

I ASK YOU NOT TO ABOLISH, WITH A STROKE OF A PEN, WHAT WAS LEGAL LAST YEAR AND MAKE IT ILLEGAL THIS YEAR. CAUSING A GREAT LOSS OF JOBS AND INVESTMENT FOR THE OWNERS. WOULD ANY BANKER HAVE THE CONFIDENCE TO LOAN MONEY UNDER THESE CONDITIONS.

NATIONAL INDIAN GAMING ASSOCIATION

105 UNIVERSITY ROAD, CLOQUET, MINNESOTA 55720
Telephone (218) 879-1251

CHAIRMAN

William J. Houle, Chairman
Fond du Lac Band of Minnesota,
Lake Superior Chippewa

VICE CHAIRMAN

Purcell Powless, Chairman
Oneida Tribe of Wisconsin

SECRETARY

Josephine Jackson, Council
Saginaw Chippewa Tribe
of Michigan

TREASURER

Fred Thomas, Chairman
Kickapoo Tribe of Kansas

The National Indian Gaming Association was founded on February 6, 1986 in Miami Beach, Florida. The founding tribes were Fond du Lac Band of Lake Superior Chippewa; Oneida and Winnebago Tribes of Wisconsin; Saginaw Chippewa Tribe of Michigan; Hoopa Valley Tribe and Rumsey Indian Rancheria of California; the Kickapoo Tribe of Kansas; Tulalip Tribe of Washington State and the Seminole Tribe of Florida. The most recent addition is the Hannahville Indian Community of Michigan.

The Association is a voluntary organization whose membership is open to all federally recognized tribal governments and those tribal entities which are eligible for federal services.

The primary purpose of the Association is to protect tribal gaming interests by advocating for pre-emptive federal legislation.

The Association elected William Houle as the first Chair of the organization. Chairman Houle had been active in the National Indian Gaming Task Force and while Chairman of the Fond du Lac Band of Lake Superior Chippewa has one of the most successful tribally owned and managed bingo operations in Minnesota.

The Association's most recent activities has been spearheading the effort to pass H.R. 1920, the Udall Bill, which has passed the House of Representatives on April 21, 1986. The Association effectively opposed an amendment which would have placed all Class III gaming activities under the jurisdiction of the respective states. This amendment was proposed by Congressman Tony Coelho -D- Calif. After five weeks of negotiation a compromise was reached. The Bill will now be forwarded to the Senate.

The Senate has its own gaming bill that it is considering. The Association is making plans to fully participate in accomplishing its goal of pre-emptive federal legislation by also participating in the Senate process.

The Association will also begin to establish a network for dissemination of information on all future gaming related activities. It will set up technical assistance workshops on managing and financing games owned and run by tribal governments. The development of these activities are for the future and will be shaped by the membership.

4
3-19-87
HB 796

REQUEST FOR PROPOSAL FOR
VIDEO ELECTRONIC GAMING MACHINES

FOND DU LAC BAND OF
LAKE SUPERIOR CHIPPEWA
FOR
FOND-DU-LUTH GAMING CASINO

1. INTRODUCTION.

The Duluth-Fond du Lac Economic Development Commission ("Commission") was created pursuant to a Commission Agreement dated as of April 1, 1986 ("Commission Agreement") between the City of Duluth, Minnesota ("City") and the Fond du Lac Band of Lake Superior Chippewa ("Band"). Under the Commission Agreement the Commission is authorized, directed and empowered to regulate and control all activities conducted in the building located at 129 East Superior Street, Duluth, Minnesota, and to operate the bingo and gaming operation known as Fond-du-Luth Gaming Casino.

The Commission has appointed the Fond du Lac Band of Lake Superior Chippewa ("Band") as the Managing Agent of the Fond-du-Luth Gaming Casino by a Gaming Management Agreement dated June 6, 1986, and amended by First Amendment dated July 22, 1986, and by an Agreement dated September 2, 1986 ("Gaming Management Agreement"). The Band's authority to act on behalf of the Commission is specifically subject to and limited by the provisions of the Gaming Management Agreement. The Band has no authority to act on behalf of the Commission or with respect to the Fond-du-Luth Gaming Casino except as provided in the Gaming Management Agreement. No action by the Band, in connection with this Request for Proposal or with respect to the Fond-du-Luth Gaming Casino, will be binding on the Commission or the Fond-du-Luth Gaming Casino unless such action is approved by the Commission.

The Band, as Managing Agent of the Fond-du-Luth Gaming Casino, desires to obtain proposals for the provision of video electronic gaming machines ("Machines").

All such proposals must be accompanied by a nonrefundable certified check in the amount of \$100.00 made payable to the Commission.

All such proposals must be duly executed by a person authorized to execute the proposal on behalf of the party submitting the proposal and such person's signature must be notarized.

All such proposals must also contain, at a minimum, the information specified in Parts 3, 4, 5 and 6 of this Request for Proposal. Separate proposals are requested for 28 Machines and 98 Machines. Proposals for coin-operated Machines or Machines that have payouts other than in credits will not be considered.

All proposals must be received by the Managing Agent and by Commission by 4:00 p.m. on Monday, October 13, 1986.

IV. NEW DEVELOPMENTS

A. Introduction

The purpose of this section is to provide information concerning the recent developments relating to gambling on Indian reservations. The section provides an update on the case law, on Department of the Interior guidelines, and on pending legislation.

B. Case Law Update

Substantively, the civil/regulatory versus criminal/prohibitory doctrine formulated in the foundation "Bingo" case, Seminole Tribe of Florida v. Butterworth, p. 35 supra, Cert. denied, 103 U.S. 1020 (1982), remains the current state of the law. In short, Indian tribes may engage in a gambling activity without regard to state regulatory limitation, so long as it is not against the public policy of the state and prohibited.

Since Butterworth and its companion cases, litigation in the federal district courts has centered around the application of 25 USC 81 as opposed to the continued refinement of the "civil/regulatory versus criminal/prohibitory" doctrine, except for Cabazon, infra. In pertinent part, section 81 provides:

No agreement shall be made by any person with any tribe of Indians, or individual Indians not citizens of the United States, for the payment or delivery of any money or other thing of value, in present or in prospective, or for the granting or procuring any privilege to him or any other

Union Calendar No. 284

99TH CONGRESS
2D SESSION

H. R. 1920

[Report No. 99-488]

To establish Federal standards and regulations for the conduct of gaming activities on Indian reservations and lands, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1985

Mr. UDALL (for himself, Mr. MCCAIN, Mr. RICHARDSON, and Mr. BATES) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

NOVEMBER 5, 1985

Additional sponsors: Ms. SNOWE, Mr. SEIBERLING, Mr. MCKERNAN, and Mr. FAZIO

MARCH 10, 1986

Additional sponsor: Mr. BOSCO

MARCH 10, 1986

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

(Strike out all after the enacting clause and insert the part printed in italic)

(For text of introduced bill, see copy of bill as introduced on April 2, 1985)

A BILL

To establish Federal standards and regulations for the conduct of gaming activities on Indian reservations and lands, and for other purposes.

2

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 That this Act may be cited as the "Indian Gaming Regula-
4 tory Act".

5 SEC. 2. (a) The Congress finds that—

6 (1) numerous Indian tribes have become engaged
7 in or have licensed gaming activities on Indian lands
8 as a means of generating tribal governmental revenue;

9 (2) Indian tribes have the exclusive right to regu-
10 late gaming activity on Indian lands which is not spe-
11 cifically prohibited by Federal law and which is con-
12 ducted within a State which does not, as a matter of
13 criminal law and public policy, prohibit such gaming
14 activity;

15 (3) there are no existing statutes which require
16 approval of management contracts dealing with Indian
17 gaming;

18 (4) existing Federal law does not provide clear
19 standards or regulations necessary to insure the orderly
20 conduct of gaming activities on Indian lands;

21 (5) a principal goal of Federal Indian policy is to
22 promote tribal economic development, tribal self-suffi-
23 ciency, and strong tribal government; and

24 (6) tribal operation and licensing of gaming ac-
25 tivities is a legitimate means of generating revenues.

North American Inter-Tribal Vending Co.



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99207

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EXCEPT WA & AL

VIDEO PRICE LIST

GAME MODELS

PRICES

Reel Fun, Trivia, Reflex Games	\$ 2095.00
Atlantic City Games	\$ 2095.00
Model 101 Joker Poker regular, raise & progressive optional	\$ 2095.00 *
Counter top model	\$ 2195.00
Model 102 (2 games) Casino games	\$ 2150.00 *
Counter top model	\$ 2195.00
Model 103 (3 games) Casino games	\$ 2195.00 *
Counter top model	\$ 2195.00
Model 104 (4 games) Casino games	\$ 2295.00 *
Counter top model	\$ 2195.00
Model 105 (5 games) Casino games	\$ 2395.00 *
Counter top model	\$ 2195.00
Model 108/110 (5 games) Casino games	\$ 2395.00 *
Counter top model	\$ 2195.00
Super Bowl/Super Bear Games	\$ 2295.00 *
Counter top model	\$ 2195.00
Super Poker game	\$ 2295.00 *
Counter top model	\$ 2195.00
All 9" mini counter top models	\$ 1995.00
All 13" counter top models	\$ 2050.00
With sign capability (Keyboard)	\$ 180.00

SKILL CRANES

Single Crane	\$2595.00 *
Double Crane	\$3995.00 *
Triple Crane	\$5495.00 *
Jumbo Crane	\$3795.00 **
Counter Top Crane	\$2395.00

** Rowe Bill acceptor included

* Rowe Bill Acceptor , additional \$ 300.00

Shipping included, to all states except Alaska and Canada

Terms available upon request

— ALL TYPES OF VENDING MACHINES AND SERVICES —

(This sheet to be used by those testifying on a bill.)

NAME:

Sidney D. Smith

DATE:

3-19-87

HB 796

BILL NO.

DATE:

3-19-87

ADDRESS:

3425 Highway 12 E

PHONE:

442-4721

REPRESENTING WHOM?

Self - Bingo Palace

APPEARING ON WHICH PROPOSAL:

HB 796

DO YOU:

SUPPORT?

AMEND?

X

OPPOSE?

X

COMMENT:

DEF/ENA Addressed this Issue - Several
years ago - & we don't ~~the~~ have the
problem that - Billings seems to
have - I feel local government should
have the control on this issue -
& if they have a problem LET them
Address it.

Thank you.

Sid Smith

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

\$200,000 than \$600,000 after the actuary study is completed. Mr. Evanson felt there was no room for any more concessions. Senator Lynch MOVED THAT THE COORDINATING AMENDMENT LANGUAGE SUGGESTED by Dan Bucks from the Department of Revenue be adopted. Senator Harding seconded the motion. The motion passed unanimously.

Senator Lynch stated he could not support the bill as it is currently written but could if it were amended. He felt it was ridiculous to start a new retirement system when the obligations of the TRS had not been met. Senator Haffey felt he could support the bill with or without the amendments. Senator Farrell asked David Senn how this would affect TRS. He said presently the bill does not state how the additional unfunded liability would be paid. It would hurt TRS by their having reduced funding for the next four years. Senator Farrell then MOVED THAT HOUSE BILL 300 BE CONCURRED IN. Senator Hirsch seconded the motion. Senator Lynch felt it would be foolish to pass the bill because he felt others might come in who want to do this same type of thing to other pension plans. He felt it was bad business practice not to know where the money would be coming from. Senator Hirsch felt the Board of Regents was responsible but they just did not know yet what the actual figure would be. Senator Harding also felt it was bad business practice and did not want to harm the TRS plan. Senator Farrell noted the university needs to do something more to be able to entice new faculty and felt it might be very beneficial. Senator Rasmussen agreed that the university needs some help in their recruiting efforts and felt it was not that large an amount to be so concerned about. He felt the bill should be passed as written. Senator Haffey also agreed it would not harm the system that much. Senator Lynch still felt there would not be a great number of teachers added to TRS in the state and felt the system should be kept sound. On a roll call vote of Senator Farrell's MOTION THAT HOUSE BILL 300 BE CONCURRED IN AS AMENDED, the motion carried 7-3 with Senators Harding, Vaughn and Lynch voting "no."

EXECUTIVE SESSION ON HOUSE BILL 796: Mr. John Alke had proposed an amendment for grandfathering in those who have the machines currently. Senator Haffey spoke in favor of the amendment. He felt without the amendment you would see more casinos being built. He thought the people who had opened the establishments had done so legally and in accordance with our laws. He noted they do not have a "lock" on the market however as others can put in more machines if they desire to. Senator Farrell MOVED TO ADOPT THE AMENDMENT TO GRANDFATHER. Senator Lynch then MADE A SUBSTITUTE MOTION THAT THIS AMENDMENT TO GRANDFATHER NOT BE ADOPTED. He felt you would be creating a monopoly for those that were already in existence. Senator Harding felt it would create a hardship for those who are in other businesses and was opposed. Senator Ras-

mussen wondered if there would be a time period in order for the casinos to phase out their machines and Senator Lynch felt this was only fair. He felt the local governments should be able to have control over the numbers of machines. Senator Farrell asked if Senator Lynch felt the loans could be paid off by selling the machines. Senator Farrell noted the businessmen had taken out loans based on the numbers of machines they would install and the expected income. Senator Hofman felt someone had found a loophole in the law and ran with it. Senator Abrams felt Senator Lynch was saying "what is legal yesterday is not legal today." Senator Harding expressed concern for others who have borrowed money also to keep their businesses going and felt we might be subsidizing a few which was not fair either. Senator Hirsch felt the amendments might make a bad bill a little better and said the committee should adopt the amendment or kill the bill. On a vote of Senator Lynch's motion THAT THE AMENDMENT NOT BE ADOPTED four voted "yes" and six voted "no." The motion failed.

Senator Lynch stated you are not grandfathering the machines but the numbers only and are really just guaranteeing a certain number of machines forever with the amendment. On a vote of Senator Farrell's motion TO ADOPT THE GRANDFATHERING AMENDMENT there were four in favor and six in opposition. The motion failed.

Senator Haffey then suggested discussing an effective date to allow those who have invested legally some time to phase out the machines. Senator Rasmussen MOVED THE EFFECTIVE DATE BE JULY 1, 1988. Senator Lynch seconded the motion. He felt this was only fair. Senator Rasmussen felt the effective date should be upon passage and approval except for the removal of the machines. The motion passed unanimously.

The committee then discussed language regarding house. Senator Lynch MOVED TO STRIKE BUT THE HOURS CANNOT EXCEED THE HOURS PROVIDED IN 16-3-304 from the language. Senator Farrell seconded the motion. He noted this would have no effect on the hours and statutory limitations of the bars. Senator Lynch then WITHDREW HIS MOTION. Senator Farrell had seconded the motion and stated he wished to keep the original motion to strike the language regarding hours. He felt this might require an establishment to remodel to close off a portion of their business where the machines are and felt it might be creating a problem. Senator Lynch felt you could just shut off the machines and noted in convenience stores, etc. they can remain open from 2 till 8 a.m. but cannot sell liquor. Senator Rasmussen felt we should remain consistent. Senator Vaughn wanted clarification that the casino places could still operate 24 hours if this language was removed and was told this was correct. Senator Anderson noted the restaurants had raised

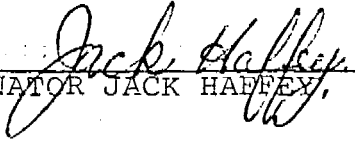
Senate State Administration
March 20, 1987
Page Five

objections to the 24 hours operations because it made it hard for them to compete. On a vote of Senator Farrell's motion TO DELETE THE LANGUAGE REGARDING HOURS the motion failed with four voting "yes" and six voting "no."

Senator Hofman MOVED THAT AS AMENDED THE BILL BE CONCURRED IN.. Senator Lynch seconded the motion. The motion carried with Senators Hirsch and Farrell voting "no."

The meeting was adjourned at 11:25 a.m.

cd


SENATOR JACK HAFFEY, Chairman

ROLL CALL

SENATE STATE ADMINISTRATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-20-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACK HAFLEY	X		
SENATOR WILLIAM FARRELL	X		
SENATOR LES HIRSCH	X		
SENATOR JOHN ANDERSON	X		
SENATOR J. D. LYNCH	X		
SENATOR ETHEL HARDING	X		
SENATOR ELEANOR VAUGHN	X		
SENATOR SAM HOFMAN	X		
SENATOR HUBERT ABRAMS	X		
SENATOR TOM RASMUSSEN	X		

Each day attach to minutes.

ROLL CALL VOTE

STATE ADMINISTRATION

SENATE COMMITTEE _____

Date March 20, 1987 HOUSE BILL _____ Bill No. 796 Time _____

NAME	YES	NO
SENATOR JACK HAFHEY		X
SENATOR WILLIAM FARRELL		X
SENATOR LES HIRSCH		X
SENATOR JOHN ANDERSON		X
SENATOR ETHEL HARDING	X	
SENATOR ELEANOR VAUGHN		X
SENATOR SAM HOFMAN	X	
SENATOR HUBERT ABRAMS		X
SENATOR TOM RASMUSSEN	X	
SENATOR J. D. LYNCH	X	

Carol Duval
Secretary

Senator Jack Haffey
Chairman

Motion: SENATOR LYNCH'S MOTION NOT ADOPT THE GRANDFATHERING
AMENDMENT. Motion failed 6-4.

ROLL CALL VOTE

STATE ADMINISTRATION

SENATE COMMITTEE _____

Date March 20, 1987 HOUSE Bill No. 796 Time _____

NAME	YES	NO
SENATOR JACK HAFHEY	X	
SENATOR WILLIAM FARRELL	X	
SENATOR LES HIRSCH	X	
SENATOR JOHN ANDERSON		X
SENATOR ETHEL HARDING		X
SENATOR ELEANOR VAUGHN		X
SENATOR SAM HOFMAN		X
SENATOR HUBERT ABRAMS	X	
SENATOR TOM RASMUSSEN		X
SENATOR J. D. LYNCH		X

Carol Duval
Secretary

Senator Jack Haffey
Chairman

Motion: MOTION BY SENATOR FARRELL TO ADOPT THE GRANDFATHERING
AMENDMENT. Motion failed 4-6.

ROLL CALL VOTE

STATE ADMINISTRATION

SENATE COMMITTEE _____

Date March 20, 1987 HOUSE Bill No. 796 Time _____

NAME	YES	NO
SENATOR JACK HAFHEY	X	
SENATOR WILLIAM FARRELL	X	
SENATOR LES HIRSCH	X	
SENATOR JOHN ANDERSON	X	
SENATOR ETHEL HARDING		X
SENATOR ELEANOR VAUGHN		X
SENATOR SAM HOFMAN		X
SENATOR HUBERT ABRAMS		X
SENATOR TOM RASMUSSEN		X
SENATOR J. D. LYNCH		X

Carol Duval
Secretary

Senator Jack Haffey
Chairman

Motion: MOTION BY SENATOR FARRELL TO STRIKE "BUT THE HOUSE CANNOT
EXCEED THE HOURS PROVIDED IN 16-3-304" FROM THE LANGUAGE OF THE BILL.

Motion failed 4-6.

STANDING COMMITTEE REPORT

MARCH 20

19 87

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

having had under consideration..... HOUSE BILL No. 796

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LIMITING HOURS OF PLAY AND NUMBERS OF BINGO MACHINES; CAPPING
LICENSE FEES Driscoll (Lynch)

HOUSE BILL 796

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 4, line 15.
Strike: "This"
Insert: "(1) Except as provided in subsection (2), this"
Following: line 16
Insert: "(2) Section 23-5-414(3) is effective July 1, 1968."

AND AS AMENDED
BE CONCURRED IN

~~XXXXXX~~
DO PASS

XXXXXXXXXX
DO NOT PASS

SENATOR JACK HAFLEY

Chairman.

STATUS SHEET

50th LEGISLATIVE SESSION

BUSINESS AND LABOR

COMMITTEE

HOUSE BILL NUMBER	ENTERED COM. DATE	DATE CON- SIDERED	OUT OF COM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMENDED DATE	DO NOT PASS AS AMENDED DATE	BE CON- CURRED IN DATE	BE NOT CON- CURRED IN DATE	BE CON- CURRED IN AMENDED DATE	BE NOT CONCURRED IN AS AMENDED DATE
699	2/13/87	2/17/87	2/17/87			2/17/87					
719	2/13/87	2/17/87	tabled 2/17/87								
723	2/13/87	2/17/87	tabled 2/17/87								
727	2/13/87	2/16/87	2/16/87			2/16/87					
728	2/13/87	2/17/87	tabled 2/17/87								
763	2/16/87	2/18/87	tabled 2/18/87								
765	2/16/87	2/18/87	2/18/87	2/18/87							
769	2/16/87	2/18/87	2/18/87			2/18/87					
771	2/16/87	2/18/87	2/18/87	2/18/87							
772	2/16/87	2/18/87	2/18/87			2/18/87					
784	2/17/87	2/19/87	2/19/87			2/19/87					
789	2/17/87	2/19/87	2/24/87			2/24/87					
796	2/17/87	2/19/87	2/19/87	2/19/87							
799	2/18/87	2/19/87	tabled 2/19/87								

se a separate sheet for Senate Bills, House Bills, and Resolutions.

Rep. Simon asked if the Department would have to inspect the facilities that are out of state. Rep. Pavlovich replied that they would not, but the companies coming into the state would have to contact the Department, and then the Department would inspect the machine at the expense of the company.

Rep. Swysgood asked if the \$1,000 was an additional permit fee. Rep. Pavlovich replied that it was.

HOUSE BILL NO. 796 - Limiting Hours of Play and Numbers of Bingo Machines; Capping License Fees, sponsored by Rep. Jerry Driscoll, House District 92, Billings. Rep. Driscoll stated this was a committee bill that limited the amount of machines any establishment could have to five, and limits the hours of operation from 8:00 a.m. to 2:00 a.m., and allows the local government to do the licensing.

PROPOSERS

None.

OPPOSERS

Tim Clavin, president of a poker machine manufacturer in Helena. Mr. Clavin stated the bill would limit 99 percent of the potential market. He commented that his company has invested their entire asset base in the development of a new Bingo machine in anticipation of a bigger market. He said the employees would be affected if the bill passes, and that the cities and towns already have the authority to determine the number of machines that can be put into play in any given premise.

QUESTIONS

None.

CLOSING

Rep. Driscoll stated that the casinos needed some control of the number of machines and the hours they could operate. He said that some food establishments in Billings were going under because of the casinos.

HOUSE BILL NO. 817 - An Act to Establish Independent Liability Funds for the Protection of Public And Small Businesses in Montana, sponsored by Rep. Driscoll, House District 92, Billings. Rep. Driscoll stated that the bill addresses the problems that small companies have with liability insurance problems.

Rep. Brandewie moved the proposed amendments. The motion carried unanimously. See Standing Committee Report.

Rep. Simon moved the amendment to insert "unavailable" or "unattainable at reasonable cost" in sub. 4, page 3, line 22, 23. The motion failed.

Rep. Simon commented that there was a limit as to how much money could be put away since the bill says five times the gross sales of a small business, otherwise it would be considered tax avoidance.

Rep. Brandewie moved that House Bill No. 817 DO PASS AS AMENDED. The motion carried with Rep. Thomas opposed.

ACTION ON HOUSE BILL NO. 796

Rep. Driscoll moved that House Bill No. 796 DO PASS.

Rep. Simon asked about the legality of allowing no more than five bingo machines if someone already had 35-40 machines. He said this takes away a person's property. He recommended a license fee so the economics would not be there for them to have the machines.

The motion was voted on and carried with Reps. Swysgood and Jones opposed.

ACTION ON HOUSE BILL NO. 806

Rep. Pavlovich moved that House Bill No. 806 DO PASS. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 801

Rep. Hansen moved that House Bill No. 881 DO PASS.

Rep. Hansen moved the amendments to reinsert "the private facilities" in the bill. The motion carried with Rep. Cohen opposed.

Rep. Wallin commented that the bill was not needed.

Rep. Hansen commented that the bill updated the information to comply with the federal definitions.

Rep. Swysgood moved that House Bill No. 801 BE TABLED. The motion carried with Reps. Hansen, Nisbet, Brown, McCormick opposed.

ACTION ON HOUSE BILL NO. 799

Rep. Driscoll moved that House Bill No. 799 DO NOT PASS.

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date February 19, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	✓		
REP. FRED THOMAS, VICE-CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. RAY BRANDEWIE	✓		
REP. JAN BROWN	✓		
REP. BEN COHEN	✓		
REP. JERRY DRISCOLL	✓		
REP. WILLIAM GLASER	✓		
REP. LARRY GRINDE	✓		
REP. STELLA JEAN HANSEN	✓		
REP. TOM JONES	✓		
REP. LLOYD MCCORMICK	✓		
REP. GERALD NISBET	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CLYDE SMITH	✓		
REP. CHARLES SWYSGOOD	✓		
REP. NORM WALLIN	✓		

STANDING COMMITTEE REPORT

February 19

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report HOUSE BILL NO. 796

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITCELMAN

Chairman

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